

Written Testimony of Representative Eric Swalwell (CA-15)
Make It in America: What's Next?
PANEL 3: American Innovation

Thank you, Whip Hoyer for putting together this hearing today on how we can “Make it in America.” As we talk about what’s next, we cannot ignore a quickly growing sector of the economy – the sharing economy, also known as the “on demand economy”.

Many of you have likely joined the approximately 80 million Americans who have engaged in the sharing economy last year. The sharing economy, made most famous in recent years by U.S. companies like Uber and Lyft, allows people to rent or borrow goods directly from another individual to help expand access to products and services. For example, tonight, about 1 million people will sleep under the roof of an AirBnB.

As a co-Chair of the Sharing Economy Caucus, I hope to bring attention to the changes brought by this sector and discuss the impact on public policy, including the best ways to foster innovation and the challenges posed by the new sharing economy.

As you’ll hear today at this hearing, there is every reason to believe the sharing economy will continue to grow as more Americans and people around the world take part in it. Global revenue from five key sharing sectors are at \$15 billion today and have the potential to increase to around \$325 billion in 2025, according to a Pricewaterhouse Coopers survey.

While sharing itself is not new, new technology has vastly expanded its reach, made it more efficient, and increased transparency. Whether you need a ride, a place to stay, or someone to fix your stove, sharing economy companies have created technology platforms to help us share and connect in ways previously thought unimaginable.

These technological innovations have helped us to better use resources, reduce our environmental footprint, and provide goods and services to people that may otherwise not be able to afford them. Much of this new technology is driven by companies in Silicon Valley, the heart of which is just outside my congressional district. These platforms, apps, and other related technologies are being made in America.

As a frequent user of sharing economy companies myself – I don’t think Congress can or should ignore this exploding industry. We should be looking for ways to support those developing these technologies here at home.

In January of this year, TIME magazine ran a cover story on the sharing economy and reported that nearly every venture capitalist rejected Airbnb’s pitch. Now, the company is valued at approximately \$13 billion – almost half that of Hilton, a company that has been around for 96 years. Congress can’t make this same mistake of ignoring this growing sector.

While there are reasonable concerns about what the future workforce may look like – now is the time to engage with sharing economy companies and its workers to find ways to best protect labor rights while still encouraging economic growth.

One way Democrats have supported workers already is through the flexibility provided by the *Affordable Care Act*. Today, workers with health insurance through the marketplace no longer need to rely on their employer for coverage.

Top leaders in the sharing economy have shown how important the *Affordable Care Act* or Obamacare has been to their growth. In November 2014, Uber's CEO Travis Kalanick said Obamacare has been critical to his success. He is quoted saying, "The democratization of those types of benefits allow people to have more flexible ways to make a living. They don't have to be working for The Man". Thanks to the *Affordable Care Act*, workers now have the freedom to follow their passions and have the flexibility they desire, while still maintaining coverage. Undoubtedly, the ACA has helped grow emerging sectors such as the sharing economy.

We must take a hard look at how we can continue to help workers achieve the American dream. Congress cannot sit on the sidelines. We can and must be active to make sure that America remains a leader in technological innovation and workers have the benefits they need.

Thank you.